

Reference-Based Pricing Solutions to Meet Your Budget

Seeking reprieve from inflated medical pricing and PPO contracts, employers are driving a trend toward alternative medical cost management. Enter: Reference-Based Pricing (RBP). RBP is a cost management solution that expands patient choices, saves employers money and eliminates the need for a PPO. In other words, employers can have greater control in determining a fair and reasonable payment for services rendered. And, with Nova, you are guaranteed partnership and guidance so you're not on your own.



How it Works

Many self-funded employer groups are looking for a defined benefit structure based on more economical reimbursement levels, designed to be fair and reasonable to providers based on various pricing data sets. Typically, RBP programs leverage Medicare's reimbursement structure and determine a percentage in excess as fair and reasonable. Without the constraints of a PPO network, plan members have the ability to select a provider of choice and the plan is able to ensure access to local providers.



Cost Savings and Transparency

Medicare rates are considered an objective benchmark for claims payments. Medicare reimburses hospitals, on average, about 82–83% of their costs for patient care, according to the American Hospital Association. That means if a hospital were paid at 150% of Medicare rates, the payment would equate to roughly 123–125% of the hospital's costs—a level many consider reasonable because it more closely aligns with the actual cost of delivering care.

Nova offers customized strategies around alternative pricing solutions to provide a more comprehensive approach to cost management. Simple examples include utilizing RBP as a whole-network replacement or as a wrap-network replacement only for out-of-network claims. Nova works closely with plan sponsors to understand business goals and implement a RBP solution that meets unique client needs.



Why Nova?

Let's face it: RBP models are complex. And successful implementation takes some careful planning. Nova's industry experience and commitment to providing a seamless, transparent process for our clients allows us to ensure the appropriate safeguards are in place to protect you and your employees.

Nova also provides customized support materials to educate plan members on the flexibility of the arrangement in provider choice. The key to a positive plan member experience begins with a strong communication process. Nova provides customized instructive materials and open enrollment support to educate plan members on the flexibility of an open network solution as well as how to manage potential obstacles that they may incur along the way.

Nova's RBP solution provides resolution services in cases where providers reach out to plan members for excess (balance) billing above established RBP payment. In the event a plan member receives a balance bill from a hospital or outpatient facility for costs beyond the plan's normal cost-sharing requirements (i.e. deductible, copayment or coinsurance amount), Nova immediately steps in on the plan member's behalf. Our service is geared toward making reasonable payments, settling disputed claims with medical providers, and ensuring plan members have an advocate in the event of balance-billing. Nova also provides consistent monitoring of legislation relative to RBP and "balance billing" practices.



Ready to Make a Change?

RBP is a plan design option built to benefit all parties.

Plan sponsors experience cost savings and more regarding medical spend, while plan members gain additional insight into the cost for medical services. Plan sponsors pay a better rate and plan members have a guaranteed ally to work on their behalf creating satisfaction and reduced plan costs.

To learn more about Reference-Based Pricing, contact Nova today.

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